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ECONOMIC SITUATION AS OF
December 31, 1983

City of Saskatoon

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ECONOMIC SITUATION IN SASKATOON, SASKATCHEWAN

Prepared By: Industrial Development Office
City Hall, Saskatoon, Sask.

AS OF DECEMBER 31, 1983

OVERVIEW

All things considered, 1983 was somewhat better than forecast. The recovery, contrary to all expectations, proved to be as strong as its postwar predecessors. In addition, prices, interest rates and the Canadian dollar virtually all stabilized in 1983. The improved economic conditions laid the foundations for increased consumer and business confidence in spite of the obvious underutilization of labour and producer goods.

However, the recovery cannot hide the fact that we are well below our potential. According to Bank of Canada statistics and the National Bank reports, Canadian industrial production was operating at only 72.9% of capacity in the third quarter of 1983 - a drop of 10.9% from its peak before the 1981-1982 recession; or 15% from the period previous to the 1979-1980 oil shock. By industry, manufacturing's performance is not much better; while construction is operating at only 58.9% of its theoretical capacity.

At 12%, the unemployment rate is 5% higher than before the recession. To bring unemployment down by 1%, output would have to be raised 2%-3%, which implies an increase in manpower and productivity gains.

This would entail an immediate 8%-12% increase in national production in order to utilize human resources at approximately the same rate as before the recession. The resulting 7% unemployment rate would correspond to the non-inflationary unemployment rate for the Canadian economy.

1983 can be described as a fairly good year for the majority of Saskatoon's business community. There still are some businesses that are experiencing financial difficulty; however, those that are coming out of the recession are in fact leaner, more cost conscious, and are increasing their productivity given the limited resources they are working with.

The major factor throughout 1983 was the stabilizing of the prime interest rate; this contributed to a resurgence in confidence within our business community.

It is estimated that retail sales exceeded the $1 billion mark; this is a first for Saskatoon and reflects a 7% increase over levels of 1982. In retail sales per capita, Saskatoon continues to lead the nation for cities 100,000+ population.

Oil and potash made a significant comeback in 1983 and coupled with uranium will be the leaders in 1984 - leaders in putting Saskatchewan back in the forefront of production, output and employment generators.

With respect to agriculture, 1983 witnessed the second largest crop harvested in the Province's history. Over 31 million tonnes was sent to world markets. 1983 also saw the demise of the long-standing Crow Rate Agreement.

It is anticipated that due to rising costs and low grain prices, realized net farm income for 1983 will decrease by approximately 12%.

Saskatoon's population reached 165,000 - representing a 3% increase.

Total building activity exceeded the $200 million level and on a per capita basis building permits for the 6 major cities in Western Canada, Saskatoon ranked second. Of the 25 major cities in Canada that have 100,000 population, Saskatoon ranked third for per capita personal disposable income. Saskatoon's personal disposable income for 1983 was $14,021.00.

The one dark cloud in an otherwise fairly bright sky was that of unemployment. Unemployment rose steadily throughout 1983 to register approximately 12% at the end of the year.

1984 OUTLOOK

The Canadian economy and Saskatoon's economy in particular in 1983 followed the historical pattern of postwar recoveries. Inventory investment, as typically the case, played a major role in the initial phase of the recovery, accounting for 4.25% of the 6.6% real growth between year end 1982 and year end 1983. The stabilizing of inventory means that the average quarterly growth rate will be lowered from 1.6% in 1983 to .7% in 1984. In 1984, the Canadian economy is expected to record 4.1%

average annual growth. It is anticipated that Saskatoon's economy will at least meet, if not exceed, the Canadian economy.

With growth starting to gear down, the drop in unemployment will be more modest than in 1983. For 1984 as a whole, unemployment is expected to be slightly under 11%, since employment gains will be only a notch higher than growth in the job-seeking population inflated by the return of discouraged unemployed workers. In spite of this high rate of unemployment, shortages of qualified personnel are being felt, especially by the high technology sector.

For the first time in a number of years, consumers will see their real disposable income grow by approximately 2% and will continue to step up spending, reducing their savings rate in the process. Not only will durable goods (cars far more than furniture) continue to show vigor, but semi-durables (clothing) and services will also be the object of increased consumer spending.

As for capital spending, plant and equipment expenditure is expected to recover through the push to modernize factories and offices and equip new installations, which will make increasing use of technology and extensive automation.

Saskatoon will continue to be one of the leading communities in Canada in terms of growth and potential for growth. It is estimated that in 1984, the population will surpass the 170,000 mark. It is also estimated that building starts will in fact again exceed the $200 million mark and approach the $230-$240 million range.

A quick breakdown is as follows: the residential market will probably be in the vicinity of $100 million; the institutional market, consisting of a number of new projects recently announced or under construction, will account for approximately $80 million; the commercial sector will see office complexes and shopping centre expansions approach the $40 million mark; in the manufacturing and industrial areas there will be a number of high tech endeavours, local manufacturing expansions for a capital investment expenditure that will reach the $21 million mark.

1984 will see continued growth in all sectors of our economy, with the majority of investment coming from the local investment community. It is not anticipated that significant investment dollars (private) will move into the City from outside provincial borders - the most notable exception being the Princeton Development project.

1. AGRICULTURE

As has been noted, Saskatchewan has experienced above-average crop yields for the past 3 consecutive years. The marketings of the 6 major grains in 1983 was just under 32 million tonnes - this is up over 9 million tonnes from the 1982 crop year.

Statistics Canada's annual forecast of farm income and expenses shows that Saskatchewan's 1984 realized net farm income is forecast at $1,063,100,000 - this is up 16% from the 1983 projection and 3% above the estimated realized net figure for 1982.

Saskatchewan farm cash receipts are forecast at $4,240,800,000 for 1984 - up 7% from the projected 1983 figure of $3,962,100,000.

Total operating and depreciation expenses are expected to increase by 4% from 1983 to 1984. A projected 2% decrease in 1983 farm cash receipts is due primarily to an 8% decline in livestock revenues. Total crop receipts are expected to remain constant from 1982 to 1983; however, a strengthening of some grain prices (rapeseed and barley in particular) and an expected marginal increase in livestock revenues will cause an estimated 7% increase in cash receipts for 1984.

The December forecast projects 1983 realized net farm income at $913.5 million and total net farm income at $883.2 million; these figures are down 12% and 24% respectively from the 1982 estimates. (Source: Saskatchewan Agriculture Stat Facts).

1983 also saw the demise of the Crow Rate. The year was documented with arguments for and against where subsidy payments should be paid. There is a belief that the subsidy should go directly to the farmer (the producer), another belief that the subsidies should be paid to the railroads. The Federal Government has elected subsidies will in fact be paid to the railroads. Although it is too early to tell what effect the abolition of the Crow Rate will have upon the Saskatchewan producer, it is generally conceded that the net effect will be one that is negative.

The livestock industry is still at one of its lowest points in history. The Provincial Government is attempting to inject new optimism and define markets for livestock products.

Table 1 demonstrates the importance of the agricultural sector to Saskatchewan and Saskatoon (See also Figure 1). Agriculture remains the largest, single contributor to the provincial economy and the City of Saskatoon. The following chart depicts sector percentages of contribution to the Gross Domestic Product.

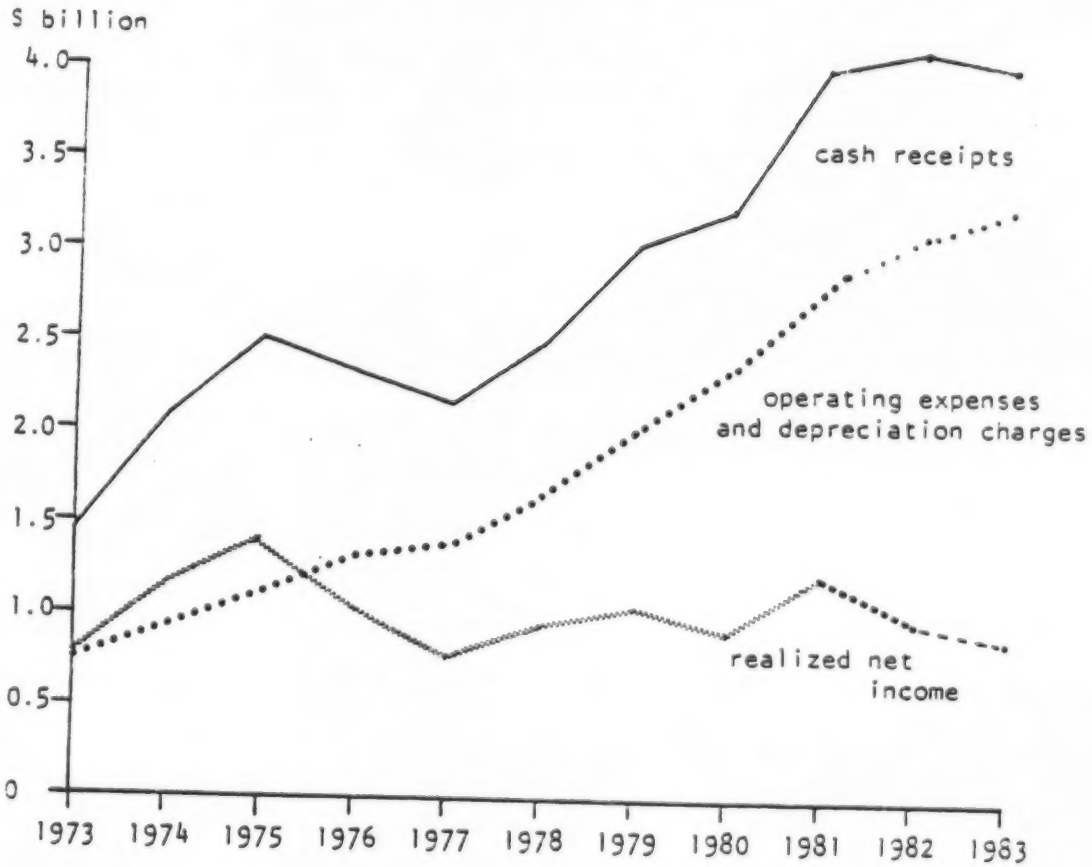
SASKATCHEWAN GROSS DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRY
($MILLIONS)

	1982	1982%	1980%	1972%
Agriculture	$2,473	17.7	16.5	17.2
Forestry	26	.2	.2	.3
Mining	1,144	8.2	12.8	8.8
Construction	709	5.1	5.8	4.9
Manufacturing	946	6.8	6.9	6.8
Transportation, Communication and Storage	1,107	7.9	7.7	10.6
Utilities	383	2.7	2.0	2.7
Trade	1,503	10.8	10.2	11.4
Finance, Insurance & Real Estate	1,727	12.4	12.3	9.5
Services	2,497	17.9	16.7	18.3
Public Administration	1,444	10.3	8.9	9.5
	13,958	100.0	100.0	100.0

Source: Sask. Bureau of Statistics

TABLE 1

SASKATCHEWAN FARM CASH RECEIPTS
and
EXPENSES AND INCOME
1973 - 1983



Source: Statistics Canada
21-201 & 21-202

FIGURE 1

SASKATCHEWAN FARM CASH RECEIPTS, EXPENSES AND INCOME

1974 - 1984
Millions of Dollars

	Year	Farm Cash Receipts	Operating Expenses and Depreciation Charges	Realized Net Income	Total Net Income
	1974	2,089.7	926.8	1,185.4	1,152.5
	1975	2,510.4	1,123.6	1,407.5	1,486.3
	1976	2,326.3	1,331.1	1,016.5	1,285.0
	1977	2,163.2	1,394.7	791.9	844.8
	1978	2,500.2	1,675.7	855.6	898.1
	1979	3,033.1	2,026.6	1,042.7	820.5
	1980	3,301.7	2,359.1	978.5	663.2
	1981	4,018.4	2,859.3	1,194.1	1,627.5
	1982	4,047.8	3,049.9	1,034.9	1,167.4
Projection	1983	3,962.1	3,085.8	913.5	883.2
Forecast	1984	4,240.8	3,217.0	1,063.1	-
	1985				
	1986				
	1987				

* Cash receipts includes supplementary payments
* Realized net income = (cash receipts + income-in-kind) - (operating expenses & depreciation charges)
* Total net income = (realized net income + value of inventory change)

Source: Statistics Canada

1983 witnessed the first Western Canadian Crop Production Show that was undertaken, managed, directed and produced by the Saskatoon Prairieland Exhibition Corporation. The show is designed to bring together all of the various components in the agricultural industry dealing with the preparation and planning of seed crops in Western Canada. The show was a tremendous success with interest being shown from all parts of Western Canada and the United States. The organizers for the show feel that it will definitely become an annual major event that will have exhibits and demonstrations representing field chemicals, fertilizers, seeding equipment, shortline application equipment and new technology advances in electronic control systems. The show will also cover a full range of interests regarding soil and seed, including identification, soil testing and analysis.

2. CONSTRUCTION

It is worthy to note that just under 1,000 more permits were issued in 1983 (vs. 1982), and the only category that was down was apartment construction.

Tables 2 and 3 show the 1983 values of building permits, issued by the City of Saskatoon, totalling $200.4 million - a 37.7% increase over 1982. As demonstrated in Figure 2, total residential values were up 7.3% - $108,050,900 (1983) vs. $100,733,500 (1982).

Total single and duplex units started were 1,318 - up from 760 in 1982. Apartment units amounted to 959 vs. 2,078 in 1982.

Other areas within the construction industry are as follows: office $5,178,000 (1983) vs. $3,376,000 (1982) - representing an overall increase of 53% as opposed to a 68% decrease in 1982 over 1981; warehousing $6,656,000 (1983) vs. $6,201,000 (1982) - for an increase of 7% compared to a decrease of 78% in 1982 over 1981; manufacturing $4,537,000 (1983) vs. $3,186,600 (1982) - for an increase of 42% compared to a decrease of 32% in 1982 over 1981; institutional $38,581,000 (1983) vs. $11,990,500 (1982) - for an increase of 222% compared to a decrease of 39% in 1982 over 1981.

There are a number of indicators and examples that point to a strong, continuing growth for the construction industry throughout 1984, such as:

1) Institutional - construction will start on projects such as the Hydrology Institute; extended care homes; the YWCA; Geology building; initial work on St. Paul's Hospital; continuing Airport expansion; Kinsmen's Crippled Children's Home; and the first phase of the new College of Agriculture.

2) Commercial - finishing and coming on stream will be the Remai project; the Princeton Development project is just commencing; and Skyview Towers is under construction along with the Anaheim project.

3) Industrial - continued growth and expansion at the Lanigan Potash Mine; multi-million dollar expansions to the Cluff Lake project, Eldor project; plus the development and exploration work of new minerals that are now being actively pursued.

TABLE 2

SASKATOON BUILDING PERMITS

(Category Breakdown)

1973 - 1983

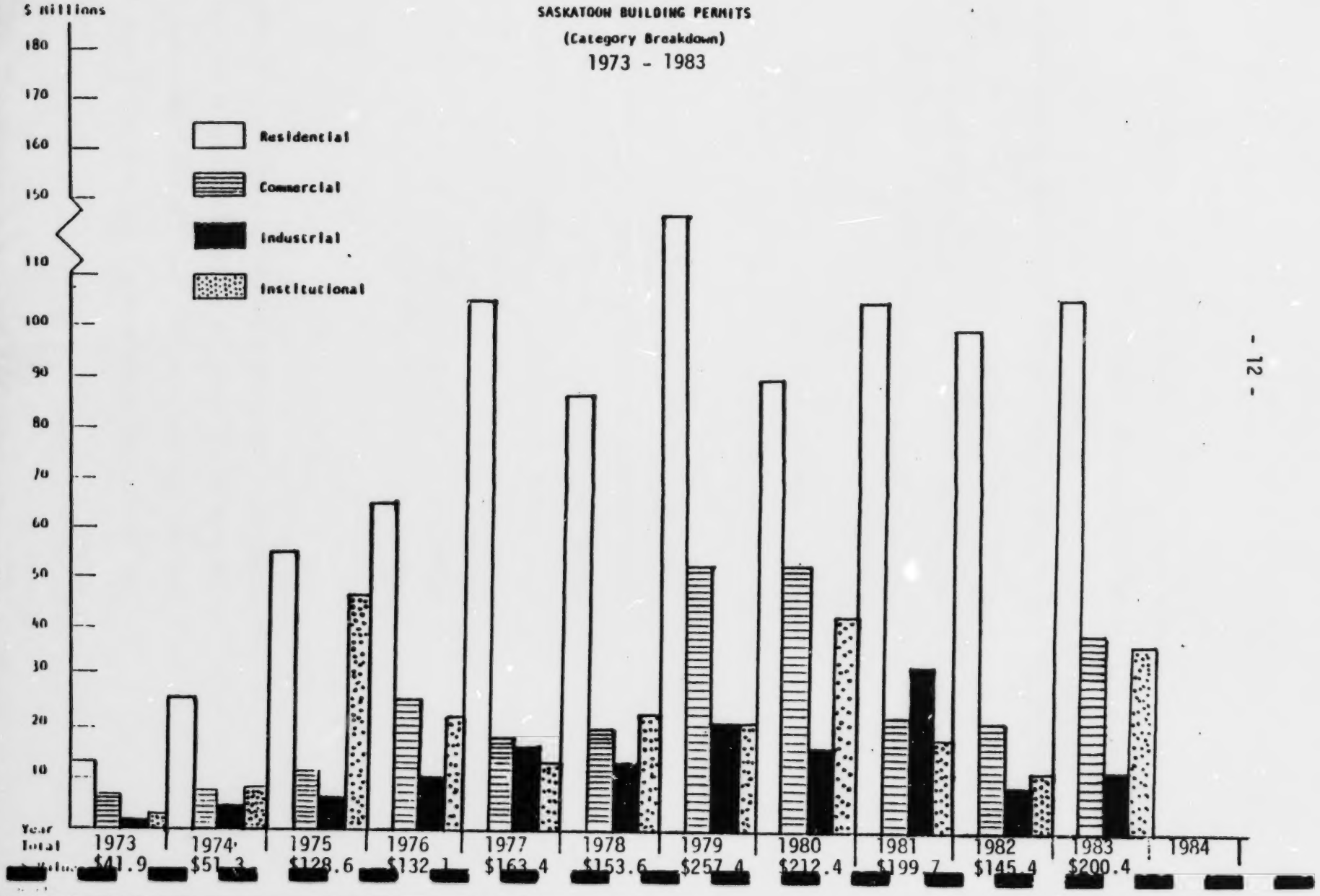


TABLE 3

VALUE OF CONSTRUCTION PERMITS
1970 - 1983

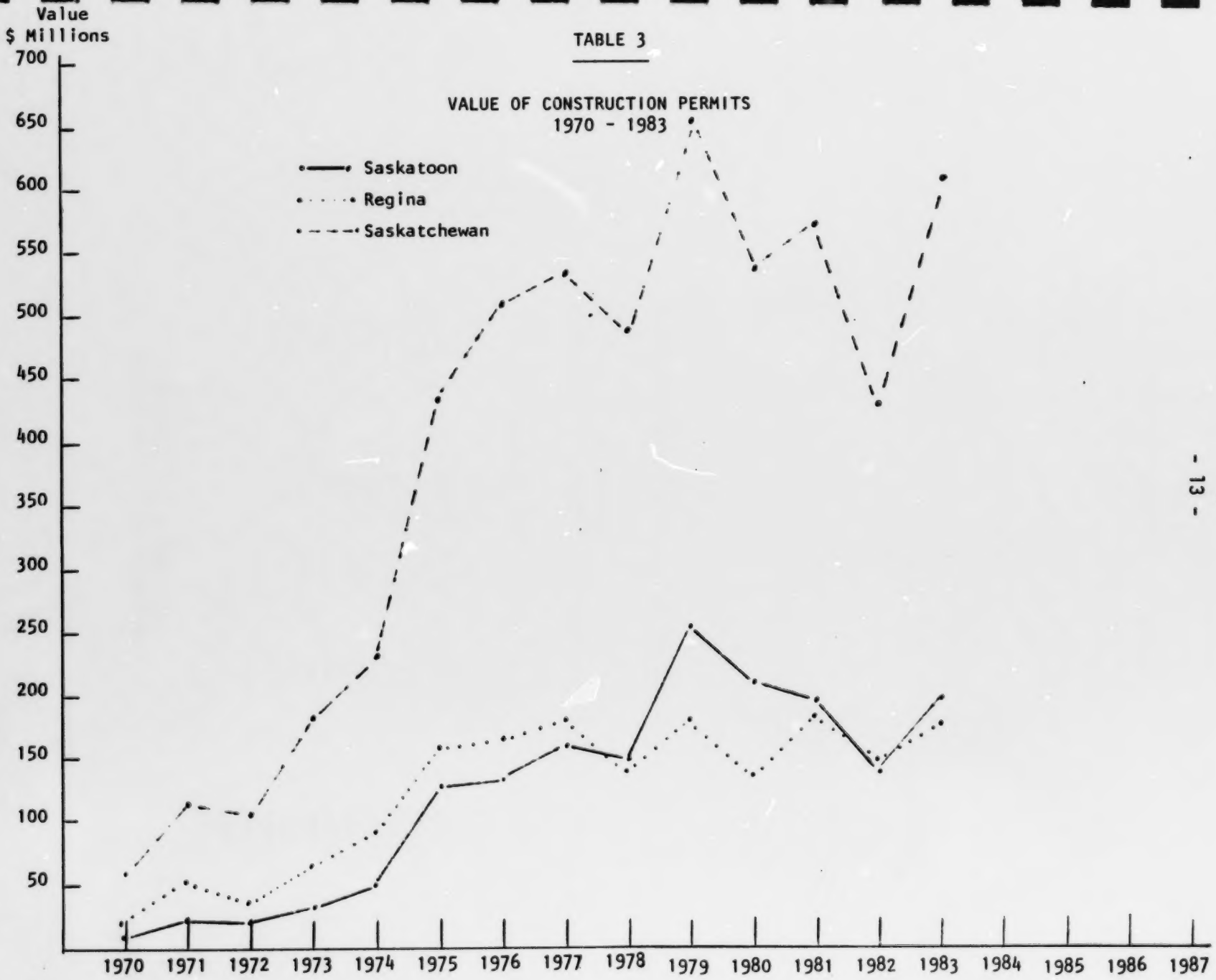


FIGURE 2

SASKATOON COMMERCIAL AND INDUSTRIAL BUILDING PERMITS

Year	Commercial ($ Millions)	Industrial ($ Millions)
1971	.5	2.6
1972	1.6	3.0
1973	8.0	1.3
1974	8.5	4.9
1975	13.5	6.1
1976	28.6	10.6
1977	18.8	17.4
1978	21.2	14.5
1979	56.0	23.1
1980	54.9	19.1
1981	22.3	32.9
1982	21.0	9.4
1983	39.8	11.2

FIGURE 3

SASKATOON RESIDENTIAL BUILDING STARTS

Year	Dwellings Single/Duplex	Apartments (Units)	Total Dwelling Units	Total Permits
1971	498	-	498	1,574
1972	794	83	877	2,038
1973	1,073	269	1,342	2,622
1974	1,061	286	1,437	2,723
1975	1,546	1,138	2,684	3,724
1976	1,480	1,197	2,649	3,731
1977	1,524	3,290	4,814	3,948
1978	1,680	1,004	2,684	4,094
1979	1,921	2,027	3,948	4,315
1980	1,059	916	1,975	3,350
1981	1,183	1,716	2,899	3,319
1982	760	2,078	2,838	2,936
1983	1,318	959	2,277	3,918
1984				
1985				
1986				
1987				

All Figures Are Obtained
From the City Building Records

City	1983 Construction Value	Population	Per Capita Building Ratio
(1) Vancouver	$552,595,659	431,000	$1,282
(2) Saskatoon	200,393,800	164,304	1,220
(3) Edmonton	583,243,100	560,085	1,041
(4) Regina	176,081,467	172,700	1,020
(5) Calgary	427,725,366	620,692	689
(6) Winnipeg	348,437,000	594,701	586

VALUE OF BUILDING PERMITS

	REGINA	SASKATOON
1970	$ 22,983,000	$ 13,949,000
1971	51,512,000	22,700,000
1972	37,567,000	24,600,000
1973	67,471,000	41,900,000
1974	90,873,000	51,400,000
1975	150,939,000	128,600,000
1976	169,858,000	132,100,000
1977	181,287,000	163,400,000
1978	144,000,000	153,600,000
1979	179,000,000	257,500,000
1980	139,000,000	212,400,000
1981	184,000,000	199,700,000
1982	150,000,000	145,400,000
1983	176,000,000	200,400,000
1984		
1985		
1986		
1987		

In addition to the above, there are several indicators that Saskatoon's economy is on the rebound and 1984 will be a year of significant activity; for example:

- in 1983 there were 20 new warehouse starts in excess of $100,000
- there were 42 starts commercial/retail outlets in excess of $100,000 each
- the institutional market showed 54 permits issued in excess of $100,000 each
- residential, other than single family/duplex housing; 18 permits in excess of $100,000 each
- in manufacturing - expansion, new facilities, and modernizations; 9 permits in excess of $100,000 each
- manufacturing deliveries are beginning to rise and production is starting to increase
- business confidence and consumer confidence, as previously mentioned, is starting to improve
- although interest rates have taken a rise in the past few months, most economists believe this is short term and just an aberration in the market.

Total permits issued for 1983 were 3,918 - this compares to 2,936 in 1982. At the end of 1983, there was in excess of $124.7 million of construction underway in the City.

Figure 3 shows the historical record of housing starts from 1971-1983. In 1971 the City had a housing stock of approximately 40,000 self-contained suites and dwellings. At the end of 1983, Saskatoon's housing stock was approximately 66,000.

3. MAJOR PROJECTS UNDERWAY AND PLANNED

Major projects currently underway in the City are valued in excess of $124 million and are listed in Figure 4.

Figure 5 indicates major projects that are planned for 1984+. It is estimated that these projects will have a very positive effect on Saskatoon's economy. It is anticipated that there could well be in excess $3 billion over the next 5 years.

4. RETAIL TRADE

Saskatoon again continues to be the nation's leader in retail sales for major cities of 100,000+ population (on a per capita basis). This is the second consecutive year that Saskatoon has led the country.

In 1983, retail sales for City businesses exceeded the $1 billion mark (as estimated by the Industrial Development Office); this compares to $972 million in 1982. In 1983, Saskatoon's per capita sales were $5,900 and per capita sales volume exceeded the Canadian average by 42%. A recent survey of Canadian markets for retail sales (per capita) for cities 100,000+, as previously mentioned, indicated Saskatoon to be 1st, Regina 2nd, followed by Calgary, Edmonton and Oshawa. Ottawa was 14th and Windsor 25th.

In 1983 per capita personal disposable income reached $14,021; this compares very favorably with other Western Canadian cities; in fact it is the 3rd highest in Canada for cities 100,000+ population. Total personal disposable income for 1983 for the City was $2,287,800,000.

Figure 6 portrays an historical pattern of the retail sales volume in the City; this is also depicted graphically in Table 4.

FIGURE 4

MAJOR PROJECTS UNDERWAY
AS OF JANUARY 1, 1983

PROJECT	DESCRIPTION	VALUE
J.R. Capital Corporation	Hotel/Condominium	$ 40,000,000
Sci-Tec Instruments	Manufacturing Facility	450,000
Anaheim Management	62 Unit Condominium	6,000,000
Kinsmen Centre	Rehabilitation Centre	4,000,000
Board of Education (Public)	High School	8,700,000
Board of Education (Public)	2 Elementary Schools	3,600,000
Board of Education (Catholic)	High School	5,300,000
Board of Education (Catholic)	Elementary School	1,300,000
University of Sask. Hospital	Alterations	1,500,000
Lutheran Sunset	Nursing Home	6,000,000
Travelodge	Expansion	3,000,000
Intercontinental Packers	Addition	1,800,000
Cavalier Inns	Addition	650,000
St. Patrick Parish Centre	Church	1,000,000
Westgate Alliance Church	Church	850,000
B.E.C. International	Courthouse Alteration	1,100,000
University of Sask. Hospital	Parkade	3,400,000
Ukranian Orthodox Senior	Apartments	1,800,000
Bronze Eagle Development Corp.	Commercial	2,000,000
Wolfe & Gloeden	Commercial/Retail	1,000,000
W-5 Properties	Mall	830,000
Neil Gibbings Inc.	Commercial	500,000
City of Saskatoon	Shop	500,000
West Portal Mennonite Brethern	Church	700,000
Saskatchewan Housing Corp.	Apartments	500,000
University of Sask. Hospital	Alterations	800,000
Raks Bowladrome	Bowling Arena	500,000
St. James Anglican Church	Alterations	540,000
Kristian Developments	Apartments	590,000
Kristian Developments	Apartments	600,000
Kristian Developments	Apartments	700,000
Kristian Developments	Apartments	800,000
The Episcopal Corp. of Saskatoon	Church	800,000
University of Sask. Campus	Laboratory Alteration	500,000
University of Sask. Hospital	Alterations	570,000
Saskatoon Board of Education	School Alterations	540,000
Saskatchewan Housing Corp.	Apartments	1,800,000
Cairns Homes Ltd.	Apartments	800,000
R.E.S. Developments Ltd.	Apartments	1,200,000
Anaheim Management	Apartments	550,000
Nutana M.B. Church	Church	2,000,000
Saskatchewan Housing Corp.	Apartments	2,200,000
Remai Construction	Apartments	5,300,000
Remai Construction	Apartments	6,000,000
Anaheim Management Ltd.	Apartments	1,500,000
TOTAL		$124,770,000

FIGURE 5

MAJOR PROJECTS PLANNED AND/OR ANNOUNCED
FOR 1984+ THAT WILL AFFECT THE ECONOMY OF SASKATOON

COMPANY	PROJECT	REMARKS	VALUE
Government of Canada	Hydrology Institute	August 1984	$18,000,000
St. Paul's Hospital	First Phase	1984	13,000,000
University Hospital	Renovations	1984	5,000,000
YWCA	New Complex	Started	4,000,000
Sask. Housing Corp.	Apartments	Started	4,000,000
City of Saskatoon	2 New Recreation Complexes	1985-1986	12,000,000
City of Saskatoon	Water Treatment Plant	Addition Started	2,000,000
Western Development Museum	Addition	Started	1,500,000
Princeton Developments	First Tower	Started	30,000,000
SkyView Towers	27 Story Apartment	Started	15,000,000
University of Sask.	Geology Complex	Started	12,000,000
Weldon's Concrete Plant	New Addition	Fall 1984	1,000,000
Saskatoon Christian Centre	New Church		1,000,000
Develcon Electronics	New Plant		10,000,000
City of Saskatoon	Secondary Sewage Treatment	Planning Stages	30,000,000
City of Saskatoon	New City Hospital	Architectural Stage	100,000,000
Agriplex	Various Construction Projects	1984	5,000,000
Potash Corp. of Sask.	Mine Expansion-Lanigan		80,000,000
Husky Oil	Heavy Oil Upgrader		1.5 billion
Amok Ltd.	Mine Expansion	Started	100,000,000
Eldor Resources	Mine Expansion	Started	100,000,000
Sask. Power Corp.	Nipawin Dam	Started	512,000,000
University of Sask.	Agricultural Complex	$100 Million Phased Development	10,000,000 1984
City of Saskatoon	Building Alterations	Started	2,100,000
Remai Construction	Apartments	Spring 1984	1,500,000
Government of Canada	Biotechnology Complex	Started	6,000,000
Government of Canada	Linear Accelerator	Spring 1984	6,000,000
Embassy Apartments	Apartments	Spring 1984	1,000,000
University Hospital	Addition	Spring 1984	3,100,000
Electronics Plant	New Facility	1986	6,000,000
Government of Sask.	Special Care Home	1985	17,000,000
Alliance Church	Special Care Home	1984	4,000,000
Canadian Occidental	New Mine (Test)	1985	20,000,000
Fisher Construction	Residential/Commercial	1984	15,000,000
Angiven Developments	High Rise Commercial/ Residential	1984	12,000,000
Prairieland Exhibition	Agricultural Complex	Planning	8,000,000
City of Saskatoon	Arena Complex	Discussion	10-15,000,000
	TOTAL		$2.68 Billion

FIGURE 6

SASKATOON RETAIL TRADE

Year	(1) Current Dollars ($ Millions)	(2) % Change Over Previous Year	(3) Inflation Rate City of Saskatoon
1971	218.8	11.1	
1972	237.5	8.5	
1973	267.9	12.8	
1974	341.5	27.5	
1975	374.7	9.7	
1976	496.9	33.7	
1977	512.0	3.0	
1978	569.9	11.3	
1979	664.5	16.5	10.7%
1980	775.5	16.7	11.4%
1981	875.6	12.9	11.2%
1982	924.7	5.6	6.5%
1983	1041.1*	7.0	5.5%
1984			

Source: (1) Data Collected by the Saskatchewan Retail Merchants Assoc.
(2) Calculated by the Saskatoon Industrial Development Office
(3) Obtained from Bureau of Statistics Government of Sask.
* Estimated by the Saskatoon Industrial Development Office

Selected Cities	Per Capita Personal Disposable Income
(1) Calgary	$14,324
(2) Regina	14,056
(3) Saskatoon	14,021
(4) Edmonton	13,668
(5) Ottawa-Hull	12,796
(6) Vancouver	12,793
(7) Toronto	12,693

Source: The Financial Post Canadian Markets 1984

Selected Cities	Per Capita Retail Sales
(1) Saskatoon	$5,898
(2) Regina	5,629
(3) Calgary	5,349
(4) Edmonton	5,293
(5) Oshawa	4,968
(6) St. John's	4,963
(7) Kingston	4,879

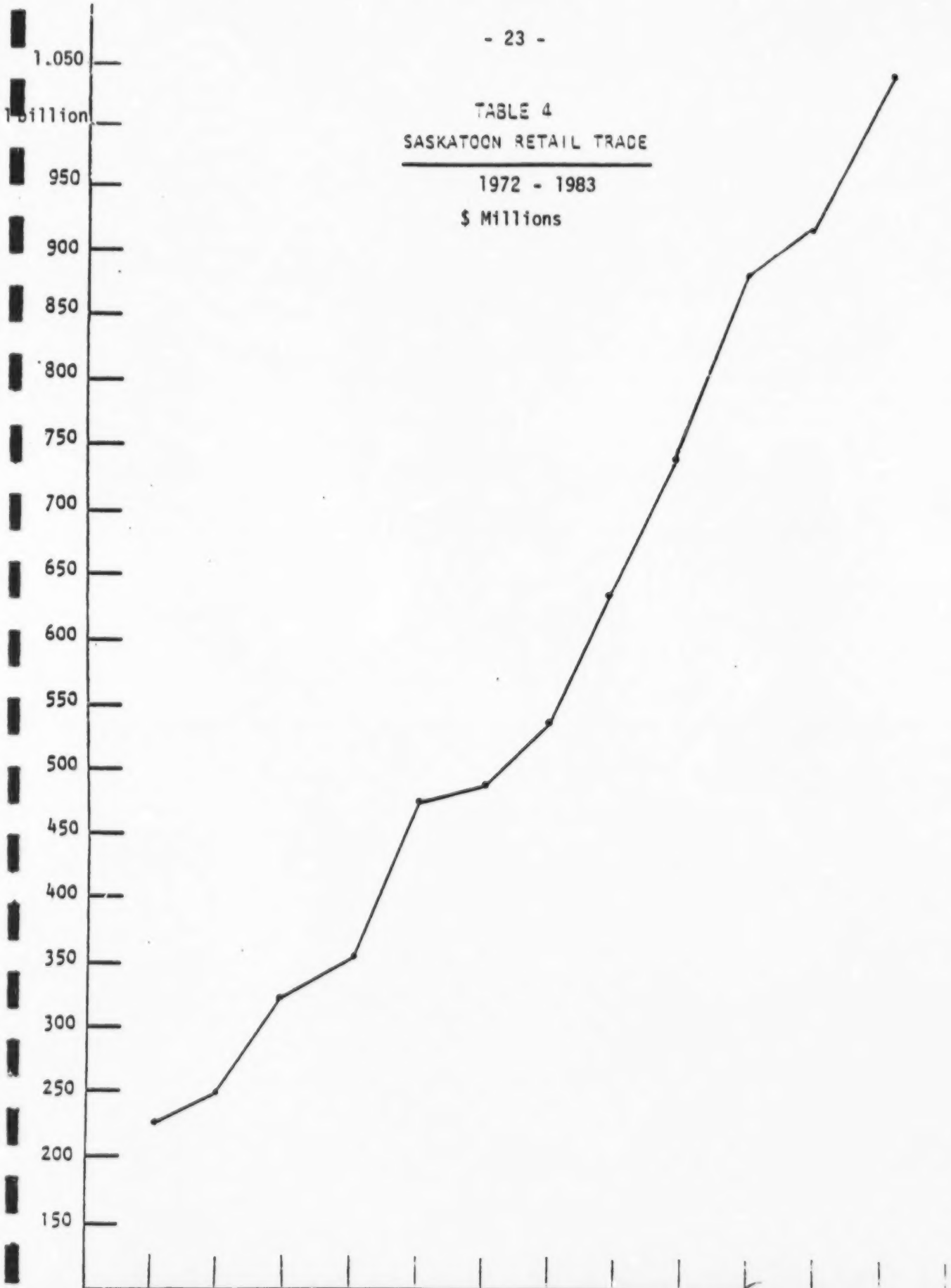
Source: The Financial Post Canadian Markets 1984

TABLE 4

SASKATOON RETAIL TRADE

1972 - 1983

$ Millions



SASKATOON RETAIL TRADE

	1978	1979	1980	1981	1982
			thousands of dollars		
Food stores	126,885	144,738	170,374	196,100	217,542
General merchandise	115,055	124,845	137,932	150,258	154,421
Automotive accessories	17,462	19,961	26,446	32,465	37,023
Service stations	30,853	37,711	47,161	58,339	63,135
Motor vehicle dealers	115,512	137,148	141,532	157,227	138,696
Motor vehicle repair shops	12,294	16,778	20,199	23,095	25,558
Shoe stores	5,749	6,962	9,306	11,209	12,306
Men's clothing stores	7,588	8,746	10,534	11,967	11,677
Women's clothing stores	13,838	15,759	17,692	20,782	25,972
Clothing and dry goods n.e.s.	8,326	10,462	13,353	14,629	15,420
Hardware stores	13,462	15,155	20,293	22,544	19,308
Household furniture and appliance stores	32,630	37,601	45,130	51,706	55,267
Drug stores	26,901	33,140	38,456	43,968	49,122
Book and stationery stores	3,155	3,502	3,601	4,194	6,040
Florist shops	2,047	2,445	2,897	3,638	3,884
Jewellery stores	7,085	8,501	10,356	12,333	12,873
All other stores	76,749	85,917	104,639	120,978	124,336
Total all stores	615,585	709,367	819,900	935,430	972,582

Source: Saskatchewan Bureau of Statistics - Retail Trade by Community 1978-82

5. MINING AND MINERAL PRODUCTION

The mining industry in Saskatoon continues to be one of the most important and dominant industries affecting the City's economic well-being.

Although mining has been squeezed by the prolonged worldwide economic recession, there are very encouraging signs that this has ended for Saskatchewan producers.

The potash industry, which was adversely affected by the deterioration of international farm markets, has rebounded significantly in 1983.

The oil and gas sector have exceeded all previous provincial levels of activity in dollars spent for leases and a record number of wells being drilled.

Although the worldwide prospects for continued growth in the uranium industry are in doubt in some countries, the attitude in Saskatchewan appears to be one that is positive and one that requires further investment.

The total of these Saskatchewan mineral values was $2.46 billion in 1983 - compared to $2.07 billion in 1982. Strong gains in crude oil production and significant increases in potash sales were the main driving force for this increase.

LEADING VALUES AND PRODUCTION

	Crude Oil	Potash	Uranium
1983	$1.65 billion on 9.5 million cubic metres	$686.8 million on 5.93 million K_2O tonnes	$120 million on 2.8 million kilograms U_3O_8
1982	$1.18 billion on 8.1 million cubic metres	$642.9 million on 5.21 million K_2O tonnes	$251 million on 3.5 million kilograms U_3O_8
1981	$821.0 million on 7.39 million cubic metres	$998.0 million on 6.4 million K_2O tonnes	$258.0 million on 3.4 million kilograms U_3O_8

A. OIL

At the present time, Saskatchewan has approximately 15% of the known Canadian oil reserves. Owing to revamped royalty and tax structures introduced by the new Provincial Government, oil production is at capacity levels.

In fact, 1983 saw a new record established. Record drilling activity, record demand, record land sales and record production greeted the oil patch industry throughout 1983. There were approximately 1800 wells drilled in 1983, easily surpassing the previous record of 1500 wells. Throughout 1983 there were as many as 80 drilling rigs in operation. At the present time, Saskatchewan has approximately 9,000 electrified oil wells in operation; this represents approximately 1/3 of the Canadian total.

Saskatchewan's current production is approximately 165,000 barrels a day; it was not unusual to have this being oversubscribed throughout 1983. The majority of the exploration activity took place between the North Battleford, Kindersley, Kerrobert areas of the Province; followed by the Swift Current area and the Estevan area. Due to the record activity, a number of new fields have been found and as such, some of the wells are capable of producing in excess of 500 barrels a day of medium gravity crude - this in fact would make them some of the highest producers in the Province.

One of the largest announcemnts with respect to the oil industry for Saskatchewan was in August - a $600 million heavy oil upgrader will be built in the Province next to the Co-Op Refinery in Regina.

1984 is expected to hold an announcement that will surpass anything to date for the Province, and the ramifications will be very significant for the City of Saskatoon. Word on a successful agreement being reached by Husky Oil, the Government of Saskatchewan, the Government of Canada and the Government of Alberta is expected. The announcement will hopefully describe the development of Saskatchewan's first heavy oil upgrader, to be built in the Lloydminster region. Capital costs of the upgrader will be approximately $1.5 billion; in addition, the infrastructure (pipeline and new wells that will have to be drilled) will also equal $1.5 billion. 1984, 1985 and 1986 promise to hold significant developments for Saskatchewan in the oil related activities, both directly and indirectly.

B. POTASH

Of the 10 producing potash mines in Saskatchewan, 6 are within a 70-mile radius of Saskatoon. Saskatchewan has the largest known potash reserves in the free world. The 6 mines employ approximately 2,500 people and are responsible for in excess of $150 million yearly in salaries, capital requirements, repairs and maintenance. The potash industry, as previously noted, has rebounded to those levels established in 1981-1982. Two of the mines are back to 100% production; the other mines are operating between 75%-80% capacity.

Saskatchewan potash producers sold over 7.2 million tonnes of potash in 1983 - a 30% jump over 1982. Most potash companies boosted prices in November and a second price increase is anticipated, which will

leave prices at approximately $70 a ton. This is still slightly below levels of 1979 and 1980, but by all appearances prices are holding.

What would be very promising for Saskatchewan potash may come about through negotiations between the Provincial Government and the Government of China. The current government is holding preliminary discussions with the Chinese considering the future of the Potash Corporation of Saskatchewan and its overseas markets. It is estimated that China's demands are anywhere from 5-10 million tonnes per year; this represents a market larger than the combined total of North America.

C. URANIUM

As has been noted in previous reports, particularly 1981-1982, uranium production was substantially down over previous years. However, the volume of provincial sales and the average price of sales have been and continue to be insulated by long-term contracts.

1983 witnessed the richest uranium ore body in the Western World coming into commercial production. The Key Lake Mining Corporation finished commissioning a $500 million development. This mine will produce up to 200 million pounds of yellow cake. The mine is expected to have a life expectancy between 15-20 years. When in full operation, the average daily production will be in excess of 20,000 pounds per day.

One of the newest developments in the uranium industry involves Canadian Occidental Petroleum Limited, who have submitted a proposal to do test mining in the McLean Lake area. This is a deep mine, too deep

for normal open-pit extraction, and Canadian Occidental are contemplating the testing of robotic mining techniques. To date, the company has spent in excess of $3 million carrying out various studies on the project. It is estimated that the testing of this method will be in the vicinity of $10-$20 million. If this test project does proceed, it is understood that this could be a new development for uranium extraction in Northern Saskatchewan; particularly in relationship to the Dawn Lake deposit, which is in excess of 100 metres deep and the Midwest Lake find, in excess of 200 metres and the Seru Nucleaire deposit, which is in excess of 400 metres in depth.

Esso Minerals, along with Numac Oil and Gas and Bow Valley Industries, still are interested in proceeding with their uranium deposits at Midwest Lake. However, the project has been postponed until it is determined just exactly where uranium prices are in fact going to stabilize.

Saskatchewan uranium prices have varied between a high of $43 per pound to a low of $17 per pound. The current spot price is approximately between $23-$24 per pound. It is estimated that this will approach the $30 per pound range by the end of 1984.

6. EMPLOYMENT

The most recent estimate of the makeup of Saskatoon's work force is shown in Figure 7 and Figure 7A.

FIGURE 7

SASKATOON'S WORK FORCE

Estimated by the Saskatoon Industrial Development Office

Total Available Work Force	80,000
Manufacturing	8,000
Construction	3,000
Transportation, Communication and Other Utilities	11,000
Trade	18,000
Services	25,000
Public Administration & Defence	11,000
Other	4,000

Saskatoon did not fare well in terms of achieving full employment throughout 1983. Saskatoon's unemployment rate during 1983 ranged between 10% unemployment to a high of 12.5% unemployment - up sharply from previous years. This poses a serious problem to the work force within the City and district and the Industrial Development Office is at a loss to explain this particular aberration in an otherwise very stable work force. One assumption is that there are a number of unemployed people from Alberta, Manitoba and as far away as British Columbia, moving into the region seeking employment. Another assumption that may contribute to the high numbers is that a significant number of major construction projects are in fact going to out-of-province contractors.

FIGURE 7A

CITY OF SASKATOON

SELECTED EMPLOYMENT STATISTICS BREAKDOWN

	1982 Actual	1983 Actual	% Change
Uranium & Miscellaneous Metal Mines (057-059)	885.0	664.0	-25
Potash Mines (079)	2,541.0	2,341.0	-7.8
Miscellaneous Services Indicental to Mining (096-099)	342.9	412.3	+20.2
Food & Beverage Industries (101-109)	2,076.9	2,141.7	+3
Rubber & Plastics Products (162-165)	59.4	39.9	-32.8
Textile Industries (174-239)	86.2	43.5	-50
Clothing Industries (243-249)	229.1	315.0	+37
Wood Industries (251-259)	384.8	358.0	-7
Furniture & Fixture Industries (261-268)	43.5	51.0	+17
Printing, Publishing & Allied Industries (286-289)	748.0	790.9	+5.7
Primary Metal Industries (291-298)	75.0	83.5	+11.3
Metal Fabricating Industries (301-309)	755.8	680.0	-10
Machinery Industries (311-318)	452.6	512.4	+13
Transportation Equipment Industries (321-329)	240.1	231.0	-3.7
Electrical Products Industries (331-339)	1,096.9	909.0	-17
Non-Metallic Mineral Products (351-359)	306.3	392.2	+28
Petroleum Industries (064, 365-369)	216.0	113.0	-52
Chemical Products Industries (372-379)	172.0	176.0	+2.3
Miscellaneous Manufacturing (391-399)	430.0	480.0	+1.1
TOTAL EMPLOYMENT	11,321.8	10,734.4	-5.18

Source: 1983 and 1984 Survey of Manufacturers, Mines and Mine Supply Companies as conducted by the Industrial Development Office.

The most significant sector of the unemployed is that of age 25 and under. It still holds that while Saskatoon has had a relatively good record of job creation over the past few years (averaging between 2,500 and 4,000 new jobs each year), the City does continue to export large numbers of well-educated and well-trained young people. There continues to be approximately 6,000 students per year graduating from the Saskatoon and area educational systems that enter the job market; new job creation historically runs at approximately 1/2 this figure.

Figure 8 portrays employment by Standard Industrial Classification categories.

7. BUSINESS DEVELOPMENT, MANUFACTURING ACTIVITIES AND BUSINESS ATTITUDES

Throughout 1983 the Industrial Development Office received over 1,800 telephone enquiries requesting information on the City of Saskatoon; the staff conducted over 900 personal interviews with individuals and firms seeking advice and information about the economic activity for the City of Saskatoon and region.

Throughout 1983 there were and continue to be a number of Saskatoon businesses that are experiencing financial difficulty. Some of the more prominent businesses in the City that did not survive the recession are: Newberry Energy (Fabrication Division) was operating in receivership last year; the fabricating division is in fact now closed.

FIGURE 8

Number of Employees, by Industry
For the Month of May

('000)

	1983	1984	1985	1986	1987
MANUFACTURING:	6.6				
Durable Goods	(2.2)				
Non-durable Goods	(4.3)				
TRANSPORTATION, COMMUNICATION & OTHER UTILITIES:	4.2				
TRADE - COMMERCE:	12.1				
Wholesale Trade	(3.7)				
Retail Trade	(8.4)				
FINANCE, INSURANCE & REAL ESTATE:	2.8				
COMMERCIAL, BUSINESS & PERSONAL SERVICES INDUSTRY:	26.5				
Education & Related Services	(8.8)				
Health & Welfare Services	(6.6)				
Accommodation & Food Services	(4.3)				
INDUSTRIAL AGGREGATE:	55.5				

Source: Statistics Canada 72-002

Note: It has been observed that the Month of May index usually approximates the annual average index.

CSP Foods, which operates a number of canola crushing plants in both Saskatchewan and Manitoba, shut down their Saskatoon operation in 1983; it is highly unlikely this plant will reopen. Another longtime Saskatoon company, Crest Craft, went into receivership in 1983 and continues to operate in receivership.

The manufacturing sector in Saskatchewan and in particular Saskatoon are fairly optimistic that 1984 is going to be significantly brighter than 1983 and 1982; quoting from the Canadian Manufacturer's Association in a recent survey conducted among Saskatchewan manufacturers, the Association predicts: "a 10% growth in shipments from Saskatchewan and a general nation-wide recovery in the new year. Twenty-seven percent of the respondents expected higher production in the fourth quarter of 1983; 22% foresaw a decline and 51% anticipated that production would remain at the same levels."

The City of Saskatoon supports approximately 5,000 businesses in one form or another, of which 270 are manufacturers and/or processors. Within the last 5 years, the number of city businesses has increased by an excess of 1,000; 1983 witnessed approximately 250 net new business starts. The vast majority of these new business starts were small (10 employees or less) and were in the service, retail, distribution sectors. However, this is an indication of the continuing confidence by the Saskatoon business community and is a statement of faith of Saskatoon's and Saskatchewan's future.

MANUFACTURING ACTIVITY FOR 1983

N.B. = New Business to City

B.E. = Business Expansion of Existing Premises

B.E.N. = Business Expansion to New Facility

COMPANY	PRODUCT	DESIGNATION
International Multifoods	Food Processor	B.E.
Cindercrete Products Ltd.	Redi-Mix	B.E.N.
Sci-Tec Instruments	Electronics	N.B.
Intercontinental Packers	Food Processor	B.E.
Northern Telecom Canada Ltd.	Electronics	B.E.N.
Northern Telecom Canada Ltd.	Electronics	B.E.
Cosmopolitan Industries	Wood/Paper	B.E.N.
Pro Star Mills	Food Processor	B.E.
Biostar Inc.	Animal Vaccines	N.B.
Saskatoon Trailer Manufacturing	Trailers	N.B.
Harding Industries Ltd.	Grain Trailers	B.E.
Ganong Brothers Ltd.	Confectionery Products	N.B.
Wilson Craft Ltd.	Cabinets	N.B.
Majestic Cabinets Ltd.	Cabinets	N.B.
Redwood Mfg. & Construction Ltd.	Various Wood Products	N.B.
Blueridge Industrial Corp.	Chemicals	N.B.
Dactyl International Ltd.	Electronic Hardware	N.B.
Plum Prints	Printing	N.B.
Patrick Redi-Mix	Redi Mix	N.B.
I.C. Lighting Systems	Lighting Systems	N.B.
Wood Classic Custom Cabinets	Cabinets	N.B.
Sutherland Printers	Printers	N.B.
Team Manufacturing	Sport Bags	B.E.
Hill Craft Cabinets Ltd.	Cabinets	N.B.
Huggie Holdings Co.	Giftware	N.B.
Delisle-True Mix (1983) Ltd.	Redi Mix	N.B.
E.T.C. Industries Inc.	Electronic Toys	N.B.
Universal Garment Factory	Garments	N.B.
Argo-Tech Systems Inc.	Component Manufacturing	N.B.

A number of new and exciting developments have occurred throughout Saskatoon during 1983 that will have a very positive affect on not only the existing business community but also on those individuals and corporations who are considering potential investment activity in Saskatoon.

1. Canpotex of Toronto has chosen Saskatoon to relocate their head office. Canpotex is the offshore marketing cooperative of the existing potash producers. The move will take place in 1985.

2. Steiger Tractor of Fargo, North Dakota, has chosen Saskatoon in which to set up their Canadian head office headquarters. Initial activity will consist of sales, financing, distribution, parts and service. Steiger specializes in four-wheel drive tractors and has been distributing in Canada since about 1967.

3. Hewlett-Packard (Canada) Ltd. have opened an office in Saskatoon for Saskatchewan. Hewlett-Packard is one of Canada's leading computer system corporations.

4. Saskatchewan Trust Company, Saskatchewan's oldest trust company, is relocating its head office from Moose Jaw to Saskatoon. Saskatchewan Trust Company has been in operation since 1906. The move to Saskatoon will enable the firm to penetrate the growing markets in the central and north part of the Province.

5. Sci-Tec Instruments Inc. is Saskatoon's newest manufacturer of high tech components for various areas dealing with space and equipment for monitoring vibration on high voltage lines.

6. Pro Star Mills is proving to be one of the shining lights in the food processing industry, not only in Saskatchewan but in Canada. The company has recently received an Export Achievement Award from the Department of Economic Development and Trade. Pro Star will also be entering into a joint venture with China on the development and exporting of their technology. Pro Star Mills markets and produces protein concentrates, starches and fibers.

7. Biostar Inc. is one of the newest companies in the City to become involved in research, testing, development and marketing of animal biologicals, pharmaceuticals and related products. Biostar will be entering into agreements with other pharmaceutical companies for manufacturing of vaccines for commercial production.

8. Business Tax - Saskatoon has one of the lowest business taxes in all of Canada. Business tax revenue in relation to property tax revenue is 7.8% - compared to Calgary at 20.2% and Edmonton at 15%, Regina 11½%. City Council has ruled that there will be no increase in business tax for 1984.

9. Vacancy Rates - Apartments - the number of apartment vacancies in Saskatoon increased marginally in October compared to the same time last year, a recent Canada Mortgage and Housing Corporation Semi-Annual Survey showed. The overall vacancy rate is 2.2%.

10. Warehouse/Office Space - the City of Saskatoon has approximately a total inventory of 14 million square feet for warehouse, warehouse/office space; of this, approximately 400,000 square feet is vacant today, representing 2.8% vacancy rate.

11. Office/Retail - within the Central Business District of the City, office space inventory is approximately 1,100,000 square feet; there are 147,000 square feet vacant, representing a 14% vacancy rate. Available retail space is virtually non-existent. Retail frontages with high traffic areas have in fact waiting lists of various retail businesses wishing to establish. Retail sales per square foot range from $215 per square foot to a high of $340 per square foot; these figures are reminiscent of the shopping centre districts only.

12. The strategic location of Saskatoon is becoming more and more evident with the increasing volume of traffic that is flowing East and West from the City. The latest counts by the Yellowhead Highway Association indicated that vehicles travelling West in 1979 averaged 4,000 vehicles per day, and at the end of 1982 this had increased to 4,400 vehicles per day. Vehicles travelling East - 1979 averaged 4,400 vehicles; by the end of 1982 this had increased to 4,600 vehicles. As such, the Yellowhead Highway is becoming a major primary highway travelling through Saskatchewan, and a number of commercial vehicles are recognizing the importance of this alternative route.

Attitudes - the Conference Board of Canada predicts that in 1984 Saskatchewan will record its fifth consecutive year of better than national average gains in production. The Board predicts a real growth rate of 3½% for the Province and describes the 5 year average in glowing terms: "This record is truly extraordinary for a province in which the traditionally erratic agricultural sector plays such a large role. The Province's greatest strength will come from the mining sector as potash production is restored to pre-recession levels and petroleum exploration,

development and production will continue to expand. Manufacturing activity will pick up compared to 1983 and non-residential construction will outperform the national levels by a wide margin."

The Senior Vice President and General Manager of the Bank of Nova Scotia for Saskatchewan recently indicated that the City has all the ingredients to ensure its position as a major Canadian centre well into the future. The Vice President indicated the City has a tremendous potential for future growth, based largely on resources, but also in light of its position as a centre for higher learning and the amount of high technology industry it has and will continue to attract.

Throughout 1983 this office and a number of other businesses in the City have been in contact with international companies that are looking at Saskatoon as a location to invest in a number of areas, in particular, commercial real estate. This office has dealt with enquiries from Hong Kong, Taiwan, West Germany, the Netherlands and the United States.

It appears that international companies are seeking locations that offer stability and a potential for growth. Saskatchewan is now being perceived, with its resources and agricultural heritage, as an ideal location. A number of firms that have recently been mentioned look to establish distribution or parts supply centers aimed at servicing the mining and agricultural sectors.

In 1983 the Provincial Government announced that Kelsey Institute of Applied Arts and Sciences will become the centre of high technology training for Saskatchewan. A recent study, commissioned by the Department

of Advanced Education and Manpower, revealed that about 15,000 Saskatchewan people will be employed in high tech industries within the next 4 years. There is now approximately 10,000 people involved in this sector. The Minister responsible for Advanced Education and Manpower, Colin Maxwell, indicated that he is prepared to submit a $5 million proposal to the Federal Government's Skills Growth Fund in hopes it will provide a grant to launch the high tech training center. The proposal suggests the centre proper would have a capacity to train 300 students and another 300 at industry sites.

FIGURE 9

EMPLOYMENT IN SASKATOON MANUFACTURING COMPANIES
EMPLOYING TWENTY OR MORE PEOPLE

	1979 (,000)	1980 (,000)	1981 (,000)	1982 (,000)	1983 (,000)
January	4.3	4.4	4.9	5.7	4.9
February	4.3	4.3	5.0	5.6	4.9
March	4.3	4.3	5.1	5.5	5.1
April	4.5	4.9	5.1	5.5	6.5*
May	4.5	5.0	5.4	5.6	6.7
June	4.7	5.1	5.4	5.7	6.9
July	4.7	5.2	5.3	5.7	6.8
August	4.7	5.1	5.3	5.6	6.8
September	4.6	5.1	5.1	5.4	6.4
October	4.6	5.2	5.2	4.9	6.5
November	4.5	5.0	5.1	5.0	6.4
December	4.5	4.9	5.1	4.9	6.1

* Effective April 1983 - Employment in Manufacturing Firms of all Sizes

Source: Statistics Canada 72-002

8. POPULATION

Figure 10 contains a number of statistics related to the size of the City's population, housing stock, postal addresses, etc. The data presented in this figure indicates that the City's population is in the vicinity of 165,000-175,000.

The historical growth of Saskatoon's census population is shown in Table 5 and the Saskatchewan Hospital Services Plan is listed in Figure 11.

Saskatoon's current growth rate for the past decade is 28%. The period 1978-1983 witnessed a 17% increase.

The well-known and respected demographic forecasting publication Sales and Marketing Management, of New York, states in its October 25, 1982 issue that Saskatoon will tie for 2nd place in Canada in overall rate of growth for the period 1981-1986. The publication projected the overall growth rate to reach approximately 15%.

9. SASKATOON'S FINANCIAL VIABILITY

Saskatoon has one of the highest credit ratings of major municipalities in Canada. While other Canadian centres are being re-evaluated, Saskatoon continues to maintain a AA High rating. The City is continuously trying to improve on this rating and is striving for the AAA.

The current rating testifies to the City's stability and shows that this community is one of the most profitably managed in Canada.

FIGURE 10

SASKATOON POPULATION AND HOUSEHOLD STATISTICS

	Addresses Delivered to By The Post Office	Saskatoon Registrants Under The Saskatchewan Hospital Services Plan	Statistics Canada Population	Households (estimated by Saskatoon Industrial Development Office)	Number of Persons Per Dwelling (Statistics Canada)	Number of Dwellings (Statistic Canada)
June 1971	39,857	125,089	126,449	39,926	3.2	38,639
June 1976	46,577	135,231	133,750	46,426	2.9	46,613
June 1977	-	138,376	-	48,679	-	-
Dec. 1977	49,165	-	-	50,200	2.8[2]	-
June 1978	-	141,167	-	52,120[1]	2.7[2]	-
Dec. 1978	54,391	-	-	-	-	-
June 1979	-	144,672	144,269[3]	55,500[1]	2.6[2]	-
Dec. 1979	57,723	-	-	-	-	-
June 1980	-	-	-	-	-	-
Dec. 1980	65,723	149,300[2]		59,698[2]	-	-
June 1981	-	154,261	152,747	-	2.6	57,335
Dec. 1981	68,197	-	-	61,605	-	-
June 1982	-	159,581	-	-	-	-
Dec. 1982	69,007	-	-	63,424	-	-
June 1983	-	164,304	-	63,629[2]	2.6	-
Dec. 1983	73,357	166,450 est.	-	65,906	-	-

1. Assessor's Department Figures
2. Estimated by Saskatoon Industrial Development Office and/or City Planning Department
3. City of Saskatoon's Census figure as of June 1, 1979

TABLE 5

CENSUS POPULATION IN SASKATOON

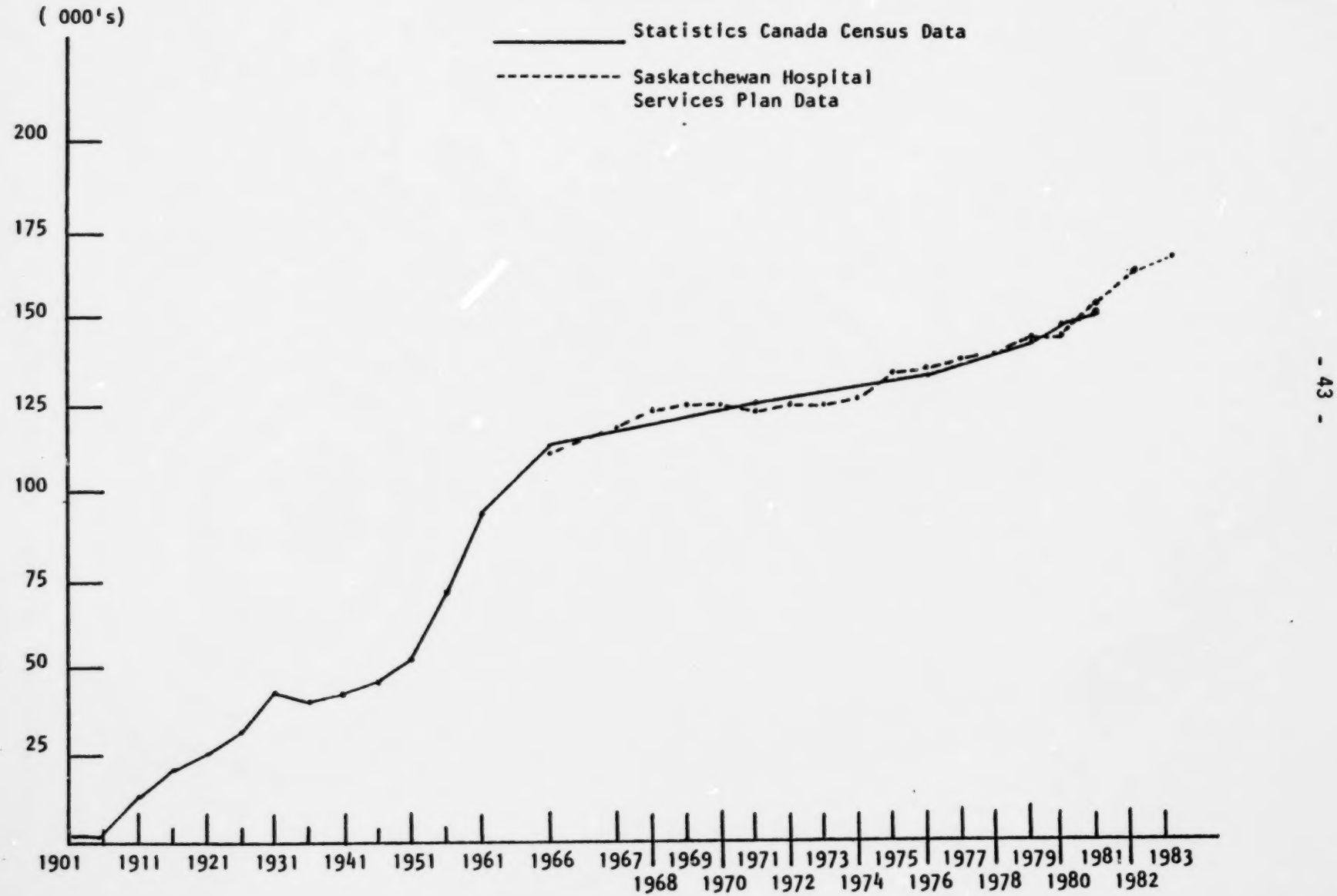


FIGURE 11

POPULATION GROWTH OF SASKATOON

1965 - 1983

Source: Saskatchewan Hospital Services Plan

YEAR	POPULATION	ABSOLUTE CHANGE	PERCENT CHANGE
1965	106,021	4,862	4.8%
1966	111,756	5,735	5.4%
1967	117,440	5,684	5.1%
1968	122,262	4,822	4.1%
1969	126,706	4,444	3.6%
1970	125,598	(1,108)	(0.9%)
1971	125,089	(509)	(0.4%)
1972	126,774	1,685	1.3%
1973	126,269	505	0.4%
1974	128,470	2,201	1.7%
1975	132,780	4,310	3.4%
1976	135,231	2,451	1.8%
1977	138,376	3,145	2.3%
1978	141,167	2,791	2.0%
1979	144,672	3,505	2.4%
1980	149,300	4,628	3.1%
1981	154,261	4,961	3.3%
1982	159,581	5,320	3.4%
1983	164,304	4,723	3.0%

() Indicates a Net Loss of Population

Saskatoon is unique among all levels of government in that not only does it have one of the lowest per capita debts in the nation, but the debt is decreasing at an increasing rate.

10. SPECIAL FEATURE - UNIVERSITY OF SASKATCHEWAN

The University of Saskatchewan has had from the very beginning, back in 1907, a very profound affect on the economy, culture and well-being of the City of Saskatoon and the Province of Saskatchewan. From very humble beginnings, the University has grown to a point where today there are more than 14,000 daytime degree-course students studying in 14 colleges and 2 schools. In addition, there are 4 affiliated theological institutions on campus. The 1983-1984 enrollment, both full-time and part-time, total 21,800.

The University is an integral part of the Saskatoon community and contributes to its cultural, social and economic base. While measurement of the composite impact of the University on the City is difficult, the economic impact can be estimated by identifying the addition to local income resulting from university-related expenditures in the Saskatoon economy.

Five sources of income generated by the University were estimated for the 1982-1983 fiscal period (May 1982-April 1983). Faculty and staff income contributed $118,340,000; University purchases of goods and services in Saskatoon represented $11,520,000; student expenditures in the community came to $45,540,000; income generated by visitor

expenditures associated with the University added $1,030,000; and income resulting from affiliated colleges and other laboratories and organizations located in Saskatoon because of the presence of the University resulted in an additional $71,340,000. These sources of income yield a first-round addition to Saskatoon income of $249,370,000.

The initial (first round) increase in income will have an even greater affect on the increase in total income due to the "multiplier effect". The "multiplier effect" occurs because the recipients of the initial increase in income spend all or a portion of their income on local goods and services. The second group of recipients will do the same and so on, producing the "multiplier effect". The multiplier for the Saskatoon economy has been estimated at between 1.5 and 1.75.

The initial addition of $249,370,000 generates between $372,560,000 and $434,650,000 in direct and indirect income in Saskatoon. This represents between 16% and 19% of the total gross income in Saskatoon during the 12-month period from May 1982 to April 1983.

(Source: University of Saskatchewan)

CAPITAL PROJECTS - UNIVERSITY OF SASKATCHEWAN

	Project Budget	Current Status
Authorized Major Projects		
Geological Sciences Bldg	$18.75 million	tender Nov/83
Linear Accelerator	$6.7 million	tender Nov/83
Proposed Major Projects		
Agriculture-expansion and renovation	$100 million	conceptual planning stage
Animal Resources Centre	$8.8 million	
Science Research Facility (Medicine)	$1.6 million	
Field Services Bldg (Kernen Farm)	$3.4 million	
Nursing - new space	$11.7 million	
Drama Department - new space	$15.7 milion	
Physical Education Bldg	$16.3 million	
Federal Research Facilities and Other Projects		
National Research Council - Plant Biotechnology Institute	$6.0 million	completion Dec/84
Hydrology Laboratory	$15 - $20 million (est)	completion 1986
University Hospital		
- Parkade	$4.0 million	tendered Sept. 83
- Continuing Renovations	$4.0 million	ongoing
- Children's Rehabilitation Centre	$3.9 million	tendered

The University is the largest employer in the City of Saskatoon, and next the City of Saskatoon, is the largest land owner. It is the only university in Canada that has all 5 life sciences on campus.

The City of Saskatoon salutes the University of Saskatchewan on its 75th Birthday.

11. SUMMARY

The economic prospects for Saskatoon during 1984 are bright. All of the major catalysts that fuel the local economy appear to be in place.

The Conference Board of Canada estimates that Saskatchewan will lead the national economic recovery in 1984. The resource sector should continue its resurgence, with potash in the lead. The majority of potash mines will be operating at, or close to, full capacity. Two new expansions at the Rabbit Lake and Cluff Lake uranium mines will be underway, and the Key Lake mine will reach full production during 1984.

In contrast to the strength expected in mineral activity, the immediate prospects for the agricultural sector continue to be uncertain. The grain crop in Saskatchewan has generally been good, but low prices have dampened the potential for farm income expansion. The forthcoming modifications to freight rates may have a further dampening impact on the disposable income of local farmers.

Despite the uncertainty in agriculture, the overall forecast for Saskatoon's economy is that it is on the upswing. The City has developed a reputation as a major distribution centre for all types of goods and services, whether these be agricultural, resource, or financial in nature. As a result, Saskatoon should benefit from a possible $2.68 billion in capital projects that have been identified to be underway over the next 5 years, over an area extending to approximately a 300-mile radius from the City. Renewed interest in certain base metals (notably gold, zinc and copper) will further spur the anticipated economic activity for local resource suppliers.

Depending on interest rates and the availability of financing, construction activity in the City will exceed the levels of 1983. Most of the 1984 gains are expected in the institutional, commercial and manufacturing sectors.

High technology continues to be a focus of Saskatoon's future potential. A number of electronics firms will be undertaking major expansions to existing plants or establishing new facilities. Currently, approximately 2,500 individuals are employed in the local high technology sector. This compares with less than 100 people in the early 1970's and an anticipated 5,000 by 1990. With support from the proven expertise available at the University of Saskatchewan and Kelsey Institute, future activity in Saskatoon's high technology industries should emphasize the electronics, chemicals, plastics, food products and industrial microbiology sectors.

APPENDICES

1. Map indicating population distribution encompassing Saskatoon.

2. (a) Statistical comparison of key economic indicators for past decade.

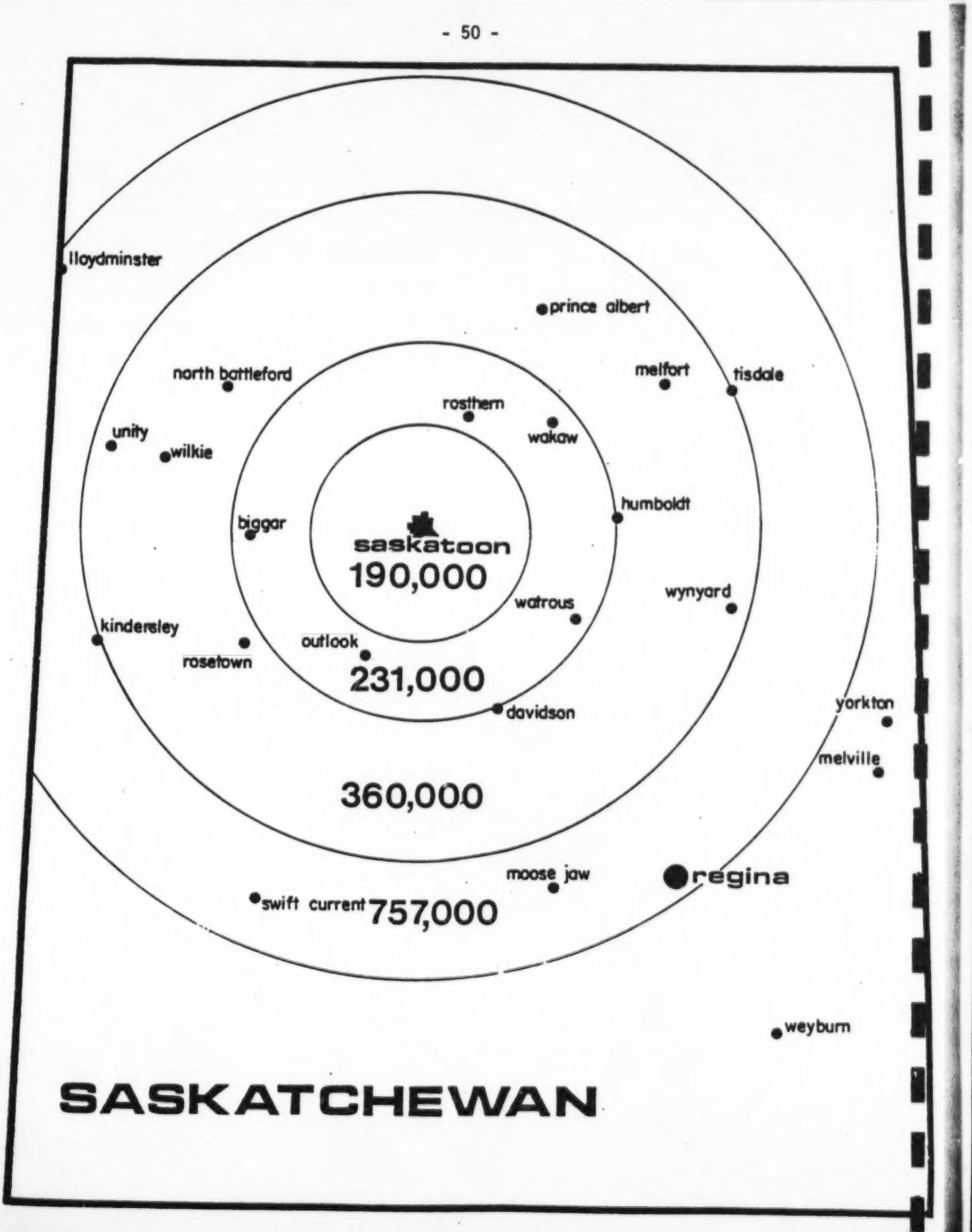
   (b) Statistical comparison - Saskatooon, Saskatchewan, Canada.

3. Summary of 1983 Central Business District Building Inventory Study.

4. Publication Price List

The 1983 Economic Situation Report was compiled by the staff of the Industrial Development Office. Resource material was obtained from the following agencies and publications:

- Statistics Canada
- Financial Post 1983 Canadian Markets
- Saskatchewan Economic Review
- Provincial Dept. of Agriculture
- Financial Times
- Sales & Marketing Management
- City of Saskatoon Building Dept.
- City of Saskatoon Planning Dept.


lloydminster
prince albert
north battleford
melfort
tisdale
rosthern
unity
wilkie
wakaw
humboldt
biggar
saskatoon
190,000
wynyard
watrous
kindersley
outlook
rosetown
231,000
davidson
yorkton
melville
360,000
moose jaw
regina
swift current
757,000
weyburn
SASKATCHEWAN

STATISTICS - 10 YEAR PERIOD

			% Increase Over 10 Years
Population	1983	165,000	28%
	1973	129,200	
Income	1982	$2,202,090,000	341%
	1972	499,620,000	
Trading Area Population	1983	535,000	23%
	1973	435,000	
Trading Area Income	1982	$6,642,560,000	424%
	1972	1,266,480,000	
Construction	1983	$200,393,800	378%
	1973	41,902,900	
Assessment	1983	$485,299,515	30%
	1973	372,950,625	
Retail Trade	1983	$1,041,100,000	289%
	1973	267,912,000	
Industrial Plants	1983	300	104%
	1973	147	
Manufacturing Value	1982	$699,315,000	297%
	1972	176,366,000	
Manufacturing Payroll	1982	$11,620,000	287%
	1972	29,982,000	

Industrial Sites

a) Total Acreage	4700
b) Unoccupied Acreage	1785
c) Unoccupied Serviced Acreage (25 mile radius)	588

Estimated for 1983	Market	Retail Sales	% Canadian Total	Per Capita	Income	Personal Disposable Income	% Canadian Total	Per Capita	Current Growth Rate June '83	% Canadian Total	% Change 1980-83	Manufacturing Shipment Value
Saskatoon	42%+	$ 1,041,000,000*	.93	$5,898	29%+	$ 2,287,800,000	.85	$14,021	+33% - Decade 165,000	.66	5.8%+	1981 $ 716,100,000
Sask.	2%+	$ 4,215,900,000	4.08	$4,249	4%+	$ 11,233,000,000	4.16	$11,320	11.2% - Decade 992,300	3.99	2.5%	1981 $ 2,503,630,000
Canada	-	$103,365,100,000	100	$4,153	-	$270,037,000,000	100	$10,851	+12% - Decade 24,886,800	100	2.2%	1980 $193,179,038,000

*Estimated by the Industrial Development Office

DOWNTOWN BUILDING INVENTORY 1983

The following is an excerpt of the above report, of the Planning Dept. "The Municipal Development Plan has identified the 'Central Business District' as the centre of the City's financial, administrative and commercial activities. The Plan also recommends that this role be preserved and strengthened. One of the necessary first steps in achieving this goal is a good data base, so that changing trends in land use and development patterns can be identified, and appropriate standards and policies can be implemented.

This study analyzes building space in the Downtown, with regard to:

- type of use
- occupied space
- vacant space
- ground floor space
- upper storey space
- basement space

The research was conducted by the Planning Department from June to August of 1983, and involved examinations of Planning, Assessment and Building Department files as well as an extensive field survey. These data sources provided square footage figures for each assessed business address in the Downtown. Figures were then combined to give sub-totals, block totals and overall totals related to Downtown building use.

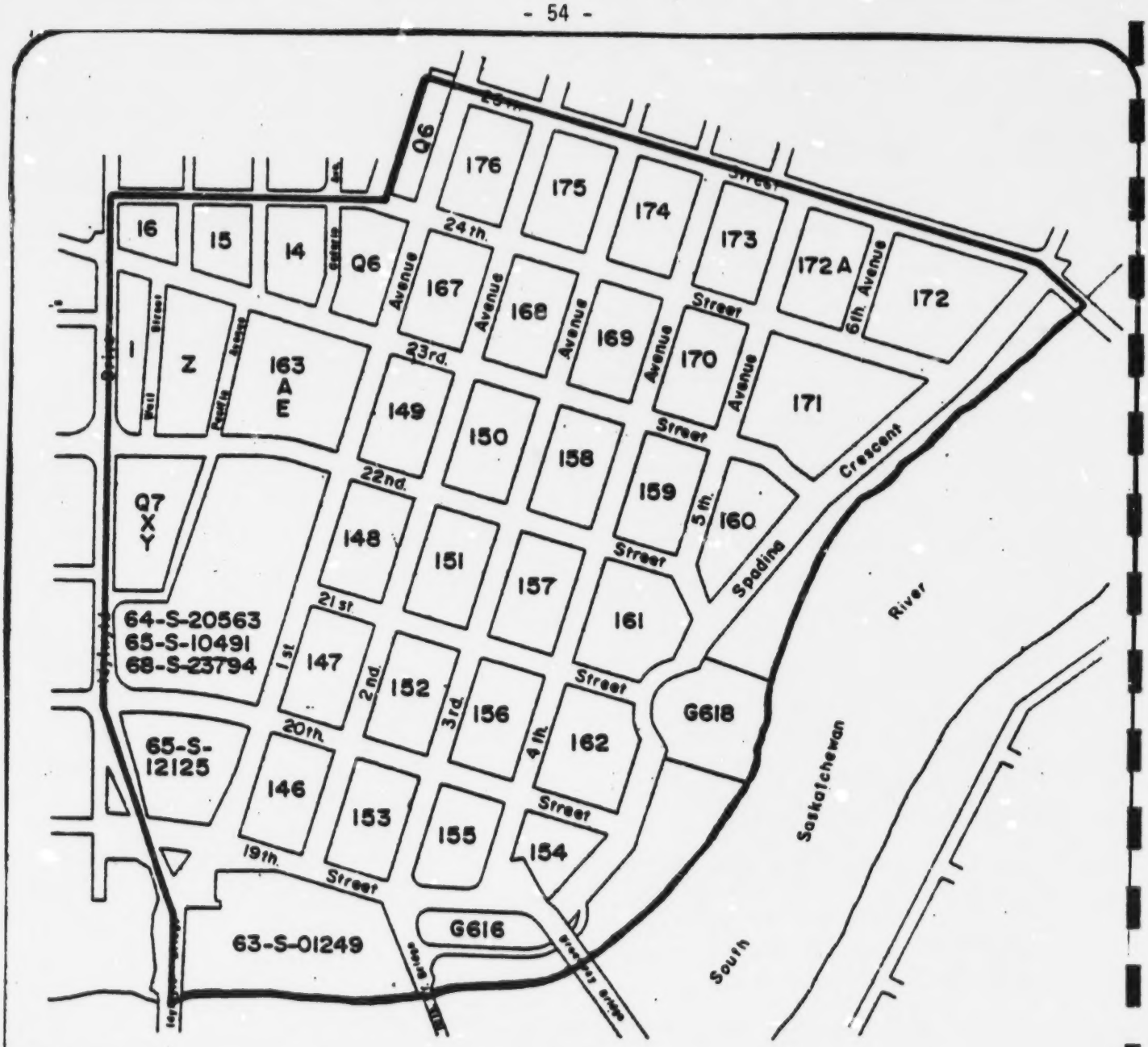
For the purposes of this study, the boundaries of the Downtown are as follows:

> From the Idylwyld Bridge, east and north along the banks of the South Saskatchewan River to 25th Street; west on 25th Street to the railway tracks west of 1st Avenue; south along these railway tracks to 24th Street to Idylwyld Drive; south on Idylwyld Drive to the Bridge.

The following Map No.1 shows this area, and also gives the legal block numbers for each city block (or the plan number, if no block number was assigned)."

Table 1 shows the Net Building Square Footage of both occupied and vacant space. Map No. 2 shows by block, the Total Net Square Footage and Net Vacant Sapce.

Copies of this study are available from the Planning Department.



DOWNTOWN BUILDING INVENTORY
Downtown Boundaries

— DOWNTOWN BOUNDARY

158 BLOCK OR PLAN NUMBER

CITY OF SASKATOON
PLANNING DEPT.
AUGUST, 1983

150 90 30 SCALE IN METRES
120 60 0

MAP NO. 1

Table 1

DOWNTOWN BUILDING INVENTORY

(as of June 30, 1983)

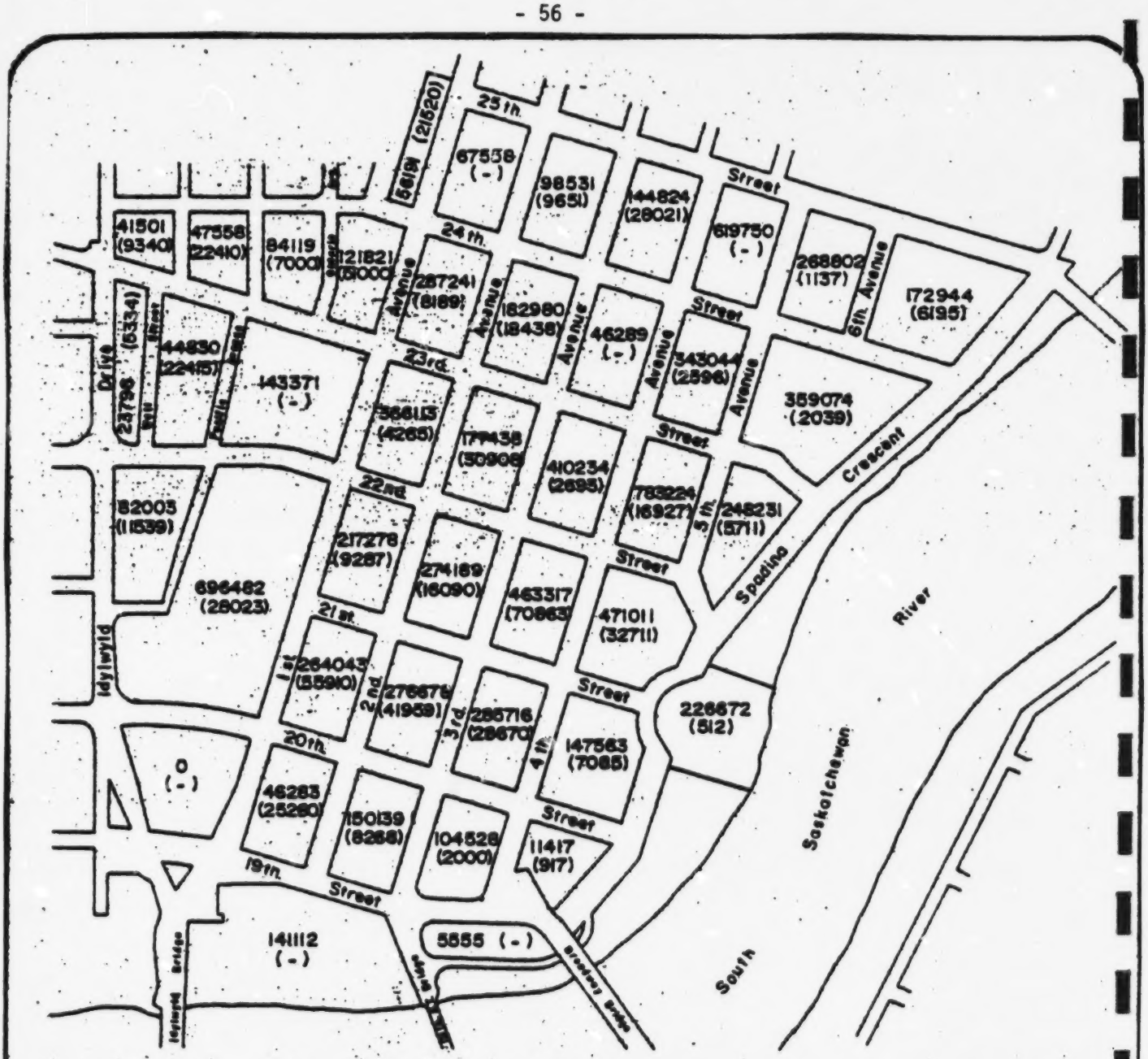
BLOCK # _____
DOWNTOWN
TOTALS

BOUNDED BY : 25th/24th Street to the north
S. Saskatchewan River to the south
Idylwyld Drive/RR tracks to the west
S. Saskatchewan River to the east

NET BUILDING SQUARE FOOTAGE

occupied and (vacant)

TYPE OF USE	GROUND LEVEL	UPPER FLOORS	BASEMENT	TOTAL	VACANCY RATE
RETAIL GOODS	656,158 (71,978)	383,249 (10,509)	221,448 (5,935)	1,349,277	6.5%
RETAIL SERVICES	149,378 (21,776)	48,053 (12,890)	19,570 (3,556)	255,223	15.0%
FOOD STORES	64,675	---	---	64,675	0 %
OFFICE SPACE	291,116 (33,763)	1,272,466 (264,579)	80,470 (1,180)	1,943,574	15.4%
SCHOOLS/INSTITUTIONAL/ CHURCHES	301,000	408,478	19,102	728,580	0 %
BANKS AND FINANCIAL	106,858 (5,924)	45,679 (202)	23,769 ---	182,432	3.4%
RESTAURANTS/BEVERAGE ROOMS	221,945 (17,415)	45,020 (4,360)	26,477 ---	316,217	6.8%
MEDICAL CENTRES/CLINICS	54,316 (775)	129,905 (13,428)	10,251 ---	208,675	6.8%
THEATRES/ENTERTAINMENT	91,745	8,000	6,250	105,995	0 %
RECREATION/COMMUNITY USE	141,010	33,092	22,137 (13,644)	209,883	6.5%
MOTOR VEHICLE SALES	43,166	704	---	43,870	0 %
GAS/SERVICE STATIONS	16,829	---	---	16,829	0 %
BUS/TRANSPORTATION TERMINALS	17,696	---	---	17,696	0 %
MANUFACTURING PRINTING	53,819	42,149	13,885	109,853	0 %
WAREHOUSING	69,274 (47,778)	39,424 (81,846)	39,118 (3,373)	280,813	47.0%
RESIDENTIAL	64,202	1,752,037	3,750	1,819,989	0 %
HOTEL/MOTEL	68,513	496,018	15,581	580,112	0 %
SENIOR CITIZEN HOUSING	19,418	214,747	---	234,165	0 %
ABOVE GROUND PARKING STRUCTURES	284,484	300,866	---	585,350	0 %
TOTALS	2,715,602 (199,409)	5,832,784 (387,814)	538,440 (26,526)	9,086,825 (613,749)	6.3%



DOWNTOWN BUILDING INVENTORY
Total Net Square Footage and (Vacant Space)

410234—NET SQUARE FOOTAGE

(2693)—NET VACANT SPACE

CITY OF SASKATOON
PLANNING DEPT.
AUGUST, 1983

150 90 30 SCALE IN METRES
120 60 0

MAP NO. 2

CITY OF SASKATOON

DAVID R. FAIRLIE
INDUSTRIAL DEVELOPMENT MANAGER

INDUSTRIAL DEVELOPMENT OFFICE

AVAILABLE PUBLICATIONS

****

Name of Publication	Price Per Copy
Economic Profile	$ 5.00
Economic Situation Report - Year End	2.00
Economic Situation Report - Six Month Update	1.00
Industrial Directory	2.00
Professional Directory	1.00
Financial Directory	1.00
Technology Directory	1.00
Profit Zones (Ind. Park Brochure)	1.00
Absorption Study	1.00
SASKATOON - Call It Home	1.00
Saskatoon the Beautiful Map Book & Pictorial Guide	.50
Bridges Newsletter	.50
New Business Starts (per set)	2.00
Photocopied Information Sheets:	
Industrial Buildings for Lease	.50
Office Buildings for Lease	
Building Permits over $100,000.00	
Focus: Saskatoon	1.00

One complimentary copy will be made available, all additional copies will be charged the above prices.

*****AUDIO-VISUAL SHOWS ON CASSETTE TAPE ARE AVAILABLE ON LOAN*****

FINGERTIP FACTS

LEADING INDUSTRIES

	Estimated Number of Employees
Manufacturing	8,000
Construction	4,500
Transportation, Communication & Other Utilities	10,500
Trade	17,000
Public Administration & Defence	10,000
Services	21,200
Other	4,600
TOTAL NUMBER OF JOBS	75,800

AGRICULTURE

Saskatoon is the distribution point for a rich high protein grain producing area. There are 18 merchant organizations, milling concerns, and a 5,500,000 bushel capacity grain storage elevator operated by Northern Sales Company Ltd.

IMPORTANT INDUSTRIES

Food Processing, Agricultural Machinery, Potash Mining, Metal Fabrication, Electronic Manufacturing, Garment Manufacturing, Building Materials, Industrial and Agricultural Chemicals.

NATURAL RESOURCES IN SASKATCHEWAN

Grain (ie. wheat, barley, oats), special crops (ie. rapeseed, mustard, alfalfa, flax), potash, oil, gas, salt, clay, sand, water, gravel, lumber, iron, uranium, copper, lead, zinc, sodium, sulphate, coal, gold, silver, nickel, peat moss.

POTASH

Discovered in 1954, potash brought a boom to the Saskatoon economy. There are 10 mines and mills located in Saskatchewan. During the 1960's some $400 million was spent developing the 6 mines which are within 70 miles/112 kilometers of Saskatoon. There are plans over the next 10 years for expansion by various mines in the Saskatoon area.

URANIUM

Northern Saskatchewan possesses some of the richest uranium deposits in the world. Three mines are in production, and four more are being considered. Saskatoon is the supply base for the Saskatchewan uranium industry; of the 12 uranium firms active in the province, 3 have established their head offices in Saskatoon..

OIL

Saskatoon is emerging as a service and distribution centre for the heavy oil industry, which starts 80 miles/128 kilometers west, and northwest of the City.

AVERAGE WEEKLY WAGES & SALARIES FOR MANUFACTURING — JANUARY 1984

National Average	$456.44
Saskatoon	$442.05

RETAIL TRADE

Number of Stores 1983	1190
Total Sales 1983	$1.041 billion

HOUSEHOLDS

June 1981 Census	56,875
April 1984 Planning Dept. estimate	68,500
Average number of people per household	2.5

VALUE OF BUILDING PERMITS

1970-79 (10 year period)	$ 989.4 million
1979-83 (5 year period)	$1,015.3 million
1983 (one year only)	$ 200.4 million

DWELLING UNITS CONSTRUCTED — Includes Apartment Units

1979-79 (10 year period)	21,194
1979-83 (5 year period)	13,937
1983 (one year only)	2,277

PROTECTIVE FORCES — 1984

City Police Force	321
Regular Fire Force	252

POPULATION

1981 Federal Census	154,210
April 1984 - Planning Dept. estimate	168,850

BUSINESS STATISTICS 1984

Financial Institutions & Branches	157
Retail and Service Establishments	2,786
Wholesale Establishments & Warehouses	451
Manufacturing Establishments	260
Business & Professional Offices	1,001

TELEPHONE COMMUNICATIONS — April 1984

Residential Telephones	98,728
Business Telephones	48,187

TRANSPORTATION

Internal — municipal transit system fleet of 124 buses travelling 15 lines to all parts of the City at 15 and 30 minute intervals.

External — Canadian National Railways, Canadian Pacific Railways, Greyhound Bus Lines, Saskatchewan Transportation Company, Air Canada, Norcanair, Pacific Western, Frontier Airlines, plus charter services by Wardair and CP Air. 93 Transport Companies.

INDUSTRIAL INCENTIVES

The provincial Departments of Economic Development and Trade, and Tourism and Small Business, offers programs and services to stimulate investment, promote trade, and assist smaller companies in manufacturing, processing, tourism, and research and development. Federally, the Industrial and Regional Development Program (IRDP) is administered by the Department of Regional Industrial Expansion's provincial office in Saskatoon.

NATURAL GAS

Supplied by the Saskatchewan Power Corporation

WATER SUPPLY

The South Saskatchewan River provides an unlimited high quality source. Water sold to consumers is treated for hardness reduction, chlorination and fluoridation. No restrictions are imposed on domestic volume.

ELECTRIC POWER

Saskatchewan Power Corporation maintains an integrated grid with installed generating capacity of 2253 megawatts. Electricity is just one of the power sources that allows Saskatchewan to supply any industry.

CLIMACTIC CONDITIONS

Altitude	1,580 feet/481.7 meters
Area	141.46 square kilometers
Climate	DRY
Precipitation	13.73 inches/348.8 mm annual average
Sunshine	2,441.3 hours annually
Wind	10.9 mph/17 km.p.m. annual average

MEDICAL CARE

Three hospitals accommodating 1200 in-patient beds located in different residential areas. Saskatchewan Hospital Service and Medical Care Insurance Plan provides coverage for medical and hospital services.

ETHNIC GROUPS (1981 CENSUS)

	% Total
British	38.7
German	14.9
Ukrainian	9.6
French	4.3
Scandinavian	3.8
Netherlands	2.3
Native Indian	2.3
Polish	1.9
Italian	.5
Multiple Origins	13.4
Other Single Origins	8.3

EDUCATION

Elementary Schools	73
High Schools	13
Business Colleges	3

University of Saskatchewan
Kelsey Institute of Applied Arts & Sciences
Saskatoon Region Community College
The Co-operative College of Canada
School for the Deaf
French School
School for Retarded Children

RELIGION

There are 126 churches of various denominations.

RECREATION

A variety of resorts are within easy driving distance of Saskatoon. Pike Lake Provincial Park, 22 mi./35 km; Blackstrap Provincial Park, 25 mi./40 km; Gardiner Dam Recreation Area, 80 mi./128 km. Of the total 35,000 acres comprising the City of Saskatoon, over 4,000 acres are devoted to parks, including a Wild Animal Zoo, 41 supervised summer playgrounds, 62 supervised winter Recreation centres, 8 youth centres, 1 suburban recreation complex, and 1 field house.

SPORTS

Saskatoon has 6 public and private golf courses; 6 indoor and 4 outdoor swimming pools; 10 indoor public skating and hockey rinks; 6 curling rinks; 6 bowling centres; 2 ski hills plus Mount Blackstrap Ski Resort. Sports activities include stock car and drag strip racing; intercity baseball; senior men's and women's softball; slow-pitch ball; junior and varsity football; and skeet-shooting. Saskatoon is also close to excellent migratory fowl, upland game bird, and big game hunting areas, as well as numerous lakes for fishing.

CULTURAL AND ENTERTAINMENT

The 2,000 seat Centennial Auditorium is located in the heart of Saskatoon. It provides modern facilities to accommodate touring shows, concerts, conferences, conventions and commercial events. Other Saskatoon attractions are the Saskatoon Symphony Orchestra, Saskatoon Summer Theatrical Company, Mendel Art Gallery plus 11 small commercial galleries, 7 theatre groups. The Western Development Museum presents early modern farm machines, vintage autos, house furnishings and the way of life of the western Canadian prairie homesteader. The Ukrainian Museum of Canada features many colourful displays. The Saskatoon Exhibition combines recreation, horse racing, trade shows, educational and cultural programs, and livestock shows and sales into its annual fair.